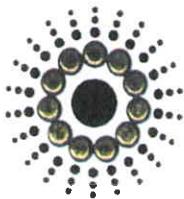


ANDALEX RESOURCES, INC.

WILDCAT LOADOUT
C/007/033

2010 ANNUAL REPORT



ANDALEX
RESOURCES, INC.

P.O. BOX 902
PRICE, UTAH 84501
PHONE (435) 637-5385
FAX (435) 637-8860

Incoming
COO 70033
#3787
R

Utah Division of Oil, Gas & Mining
Coal Program
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

March 28, 2011

Attn: Daron Haddock
Permit Supervisor

RE: Andalex Resources, Inc.,
Wildcat Loadout, C/007/0033
2010 Annual Report

Dear Mr. Haddock:

Enclosed are two copies of the 2010 annual report.

Should you have any questions regarding this submittal, please feel free to contact me.

Sincerely,

David Shaver
Resident Agent

RECEIVED

MAR 29 2011

DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT PROCESSING

Permit Change ☐New Permit ☐Renewal ☐Transfer ☐Exploration ☐Bond Release ☐

Permit Number: 007/033

Title of Proposal: 2010 Annual Report

Mine: Wildcat Loadout

Permittee: Andalex Resources, Inc.

Description, include reason for application and timing required to implement:.

Instructions: If you answer yes to any of the first 8 questions (gray), submit the application to the Salt Lake Office. Otherwise, you may submit it to your reclamation specialist.

- | | | |
|------------------------------|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 1. Change in the size of the Permit Area? _____ acres Disturbed Area? _____ acres <input type="checkbox"/> increase <input type="checkbox"/> decrease. |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 2. Is the application submitted as a result of a Division Order? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 3. Does application include operations outside a previously identified Cumulative Hydrologic Impact Area? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 4. Does application include operations in hydrologic basins other than as currently approved? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 5. Does application result from cancellation, reduction or increase of insurance or reclamation bond? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 6. Does the application require or include public notice/publication? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 7. Does the application require or include ownership, control, right-of-entry, or compliance information? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 8. Is proposed activity within 100 feet of a public road or cemetery or 300 feet of an occupied dwelling? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 9. Is the application submitted as a result of a Violation? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 10. Is the application submitted as a result of other laws or regulations or policies? Explain: |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 11. Does the application affect the surface landowner or change the post mining land use? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 12. Does the application require or include underground design or mine sequence and timing? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 13. Does the application require or include collection and reporting of any baseline information? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 14. Could the application have any effect on wildlife or vegetation outside the current disturbed area? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 15. Does application require or include soil removal, storage or placement? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 16. Does the application require or include vegetation monitoring, removal or revegetation activities? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 17. Does the application require or include construction, modification, or removal of surface facilities? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 18. Does the application require or include water monitoring, sediment or drainage control measures? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 19. Does the application require or include certified designs, maps, or calculations? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 20. Does the application require or include subsidence control or monitoring? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 21. Have reclamation costs for bonding been provided for? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 22. Does application involve a perennial stream, a stream buffer zone or discharges to a stream? |
| <input type="checkbox"/> Yes | <input type="checkbox"/> No | 23. Does the application affect permits issued by other agencies or permits issued to other entities? |

☐ Attach 3 complete copies of the application.

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments, undertakings, and obligations herein. (R645-301-123)

Signed - Name - Position - Date

Subscribed and sworn to before me this 22nd day of March, 2011.

My Commission Expires:
Attest: STATE OF
COUNTY OF

Notary Public

March 27, 2013



Notary Public
LINDA KERNS
Commission #578211
My Commission Expires
March 27, 2013
State of Utah

Received by Oil, Gas & Mining

MAR 29 2011

DIV. OF OIL, GAS & MINING

ASSIGNED TRACKING NUMBER

Title of Application: 2010 Annual Report

Permit Number: 007/033

Permittee: Andalex Resources, Inc

DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED

[illegible]

Any other specific or special instructions required for insertion of this proposal into the Mining and Reclamation Plan?

CHECK-SHEET

[Submit by Email](#)[Print Form](#)[Reset Form](#)

Annual Report

Date

3/22/11

This Annual Report shows information the Division has for your mine. Submit the completed document and any additional information identified in the Appendices to the Division by **March 31, 2011**. During a complete inspection an inspector will check and verify the information.

GENERAL INFORMATION

Company Name Andalex Resources, Inc.

Mine Name

Wildcat Loadout

Permit Number C/007/0033

Permit expiration Date

2014-05-05

Operator Name Andalex Resources, Inc.

Phone Number

+1 (435) 888-4017

Mailing Address P.O. Box 910

Email

dshaver@coalsource.com

City

East Carbon

State

UT

Zip Code

84520

CERTIFIED REPORTS

DOGM File Location or Annual Report Location

Excess Spoil Piles

☐ Required☐ Not Required

Refuse Piles

☒ Required☐ Not Required

Impoundments

☒ Required☐ Not Required

Other:

Refuse Pile Certification (included)

Sediment Pond Certification (included)

OPERATOR COMMENTS

Wildcat Loadout became inoperative during 2010, pending transfer of ownership to IPA.

Sediment pond and refuse pile certifications are included.

REVIEWER COMMENTS

☐

Met Requirements

☐

Did Not meet Requirements

COMMITMENTS AND CONDITIONS

The Permittee is responsible for ensuring annual technical commitments in the MRP and conditions accepted with the permit are completed throughout the year. The Division has identified these commitments below and has provided space for you to report what you have done during the past year for each commitment. If additional written response is required, it should be filed as an attachment to this report.

Title: Coal Fine Accumulation Monitoring

Objective: To minimize coal fine accumulations on undisturbed ground within the disturbed area boundary. This area did not have topsoil salvaged, but was vacuumed, disced, mulched and seeded in September 2010.

Frequency: Quarterly monitoring.

Status: Ongoing.

Reports: Monitoring protocol, location of observations, digital photographs and results to be filed with the Annual Report.

Citation: MRP Appendix P, Item 7.

OPERATOR COMMENTS

This area was cleaned up and reclaimed in 2010. The site is presently not in operation, pending transfer of ownership to IPA. Monitoring will continue as IPA determines to resume operation after permit transfer.

REVIEWER COMMENTS

☐

Met Requirements

☐

Did Not meet Requirements

REPORTING OF OTHER TECHNICAL DATA

List other technical data and information as required under the approved plan, which must be periodically submitted to the Division. Specify whether the information is included as an attachment to this report or currently on file with the Division.

Please List Attachments:

--

REVIEWER COMMENTS

☐

Met Requirements

☐

Did Not meet Requirements

--

LEGAL, FINANCIAL, COMPLIANCE AND RELATED INFORMATION

The Division is Requesting that each Permittee review and update the legal, financial, compliance and related information in the plan as part of the annual report. Please provide the Department of Commerce, Annual Report of Officers, or other equivalent information as necessary to ensure that the information provided in the plan is current. Provide any other change as necessary regarding land ownership, lease acquisitions, legal results from appeals of violations, or other changes as necessary to update information required in the mining and reclamation plan. Include certified financial statements, audits or worksheets, which may be required to meet bonding requirements. Specify whether the information is currently on file with the Division or included as an attachment to the report.

LEGAL/ FINANCIAL UPDATE

Included

DOGM File Location or Annual Report Location

☐☐☐☐

REVIEWER COMMENTS

☐

Met Requirements

☐

Did Not meet Requirements

*Note: The permittee should submit the Department of Commerce, Annual report of Officers to the Division on an annual basis. This report was not submitted in the 2009 annual report.

MAPS

Copies of mine maps, current and up-to-date through at least December 31, 2010, are to be provided to the Division as an attachment to this report in accordance with the requirements of R 645-301-525.240. The map copies shall be made in accordance with 30 CFR 75.1200 as required by MSHA. Mine maps are not considered confidential.

Map Name	Map Number	Included		Confidential	
		Yes	No	Yes	No
NA		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

REVIEWER COMMENTS

☐

Met Requirements

☐

Did Not meet Requirements

OTHER INFORMATION

Please provide any comments of further information to be included as part of the Annual Report. Any other attachments are to be provided as an attachment to this report. If information is submitted as a group rather than by individual mine, please identify each of the mine's data in the list below.

Please List Attachments:

REVIEWER COMMENTS

SEDIMENT POND CERTIFICATION

Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Sediment Pond A **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	2.972 ac-ft
(6) Monitoring Procedures	UPDES discharge, quarterly inspection

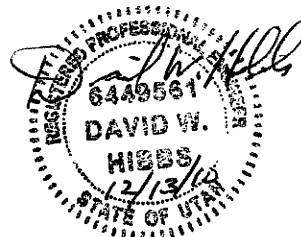
(7) Sediment Accumulation (Elevation)	6142.1' (est)
(8) Sediment Cleanout Level (Elevation)	6146.0'
(9) Principle Spillway (Elevation)	6149.0'
(10) Emergency Spillway (Elevation)	6150.0'
(11) Existing Sediment Capacity (To Cleanout)	1.28 ac-ft (est)

GENERAL	
(12) Comments/Recommendations	No discharge, sign OK, Cleaned April, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Helts
(Signature)
12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Sediment Pond B **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	0.359 ac-ft
(6) Monitoring Procedures	UPDES discharge, quarterly inspection

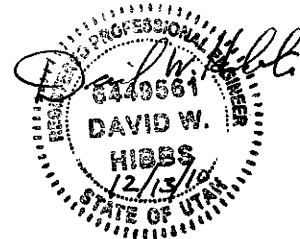
(7) Sediment Accumulation (Elevation)	6133.6' (est)
(8) Sediment Cleanout Level (Elevation)	6135.0'
(9) Principle Spillway (Elevation)	6138.0'
(10) Emergency Spillway (Elevation)	6139.0'
(11) Existing Sediment Capacity (To Cleanout)	0.05 ac-ft (est)

GENERAL	
(12) Comments/Recommendations	No discharge, sign OK, Cleaned March, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hibbs
(Signature)
12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Sediment Pond C **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	4" (est), 2" Crandall iron sludge (est)
(5) Existing Storage Capacity	4.955 ac-ft ac-ft
(6) Monitoring Procedures	UPDES discharge, quarterly inspection

(7) Sediment Accumulation (Elevation)	6127.2' (est)
(8) Sediment Cleanout Level (Elevation)	6131.5
(9) Principle Spillway (Elevation)	6137.0'
(10) Emergency Spillway (Elevation)	6138.0'
(11) Existing Sediment Capacity (To Cleanout)	1.4 ac-ft (est)

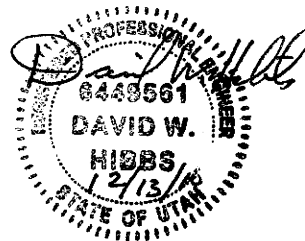
GENERAL	
(12) Comments/Recommendations	No discharge, sign OK, Cleaned April, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hibbs
(Signature)

12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Sediment Pond D **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	1.13 ac-ft
(6) Monitoring Procedures	UPDES discharge, quarterly inspection

(7) Sediment Accumulation (Elevation)	6132.1' (est)
(8) Sediment Cleanout Level (Elevation)	6135.0
(9) Principle Spillway (Elevation)	6139.0'
(10) Emergency Spillway (Elevation)	6140.0'
(11) Existing Sediment Capacity (To Cleanout)	0.25 ac-ft (est)

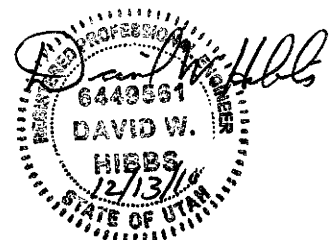
GENERAL	
(12) Comments/Recommendations	No discharge, sign OK, Cleaned January, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hibbs
(Signature)

12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Sediment Pond E **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	1.09 ac-ft
(6) Monitoring Procedures	UPDES discharge, quarterly inspection

(7) Sediment Accumulation (Elevation)	6138.9' (est)
(8) Sediment Cleanout Level (Elevation)	6140.5
(9) Principle Spillway (Elevation)	6145.0'
(10) Emergency Spillway (Elevation)	6146.0'
(11) Existing Sediment Capacity (To Cleanout)	0.18 ac-ft (est)

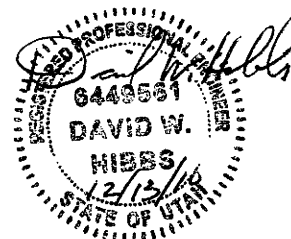
GENERAL	
(12) Comments/Recommendations	No discharge, sign OK, Cleaned April, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hibbs
(Signature)

12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Sediment Pond F **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	0.86 ac-ft
(6) Monitoring Procedures	UPDES discharge, quarterly inspection

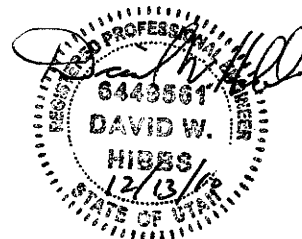
(7) Sediment Accumulation (Elevation)	6165.9' (est)
(8) Sediment Cleanout Level (Elevation)	6168.0
(9) Principle Spillway (Elevation)	6173.0'
(10) Emergency Spillway (Elevation)	6174.0'
(11) Existing Sediment Capacity (To Cleanout)	0.16 ac-ft (est)

GENERAL	
(12) Comments/Recommendations	No discharge, sign OK, Cleaned January, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hibbs
(Signature)
12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Depression Area **LOCATION:** Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Railroad slopes are stable
(2) Structural Weakness/Erosion	None noted
(3) Potential Safety Hazards	None noted
(4) Depth of Impounded Water	Dry
(5) Existing Storage Capacity	4.990 ac-ft
(6) Monitoring Procedures	Monitor for water depth for pumping

(7) Sediment Accumulation (Elevation)	N/A
(8) Sediment Cleanout Level (Elevation)	N/A
(9) Principle Spillway (Elevation)	N/A
(10) Emergency Spillway (Elevation)	N/A
(11) Existing Sediment Capacity (To Cleanout)	N/A

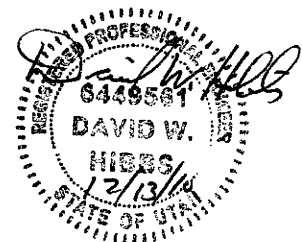
GENERAL	
(12) Comments/Recommendations	Depression area next to railroad.

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hills
(Signature)

12/13/10
(Date)



Andalex Resources, Inc.
Wildcat Loadout
2010 Annual Pond Certification Report

POND: Permanent Impoundment

LOCATION: Wildcat Loadout

IMPOUNDMENTS	
(1) Stability	Slopes Stable
(2) Structural Weakness/Erosion	None Noted
(3) Potential Safety Hazards	None Noted
(4) Depth of Impounded Water	N/A - Dry
(5) Existing Storage Capacity	0.437 ac-ft (upper) 0.677 ac-ft (lower)
(6) Monitoring Procedures	Quarterly inspection

(7) Sediment Accumulation (Elevation)	N/A
(8) Sediment Cleanout Level (Elevation)	N/A
(9) Principle Spillway (Elevation)	N/A
(10) Emergency Spillway (Elevation)	N/A
(11) Existing Sediment Capacity (To Cleanout)	N/A

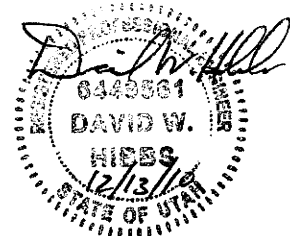
GENERAL	
(12) Comments/Recommendations	No discharge, Upper cell cleaned April, 2009

STATEMENT

I hereby certify that; I am experienced in the construction of impoundments; I am qualified and authorized in the State of Utah to inspect and certify the condition and appearance of impoundments in accordance with the certified and approved designs for this structure; that the impoundment has been maintained in accordance with approved design and meets or exceeds the minimum design requirements under all applicable federal, state and local regulations; and, that inspections and inspection reports are made by myself or under my direction, and include any appearances of instability, structural weakness or other hazardous conditions of the structure affecting stability.

David W. Hills
(Signature)

12/13/10
(Date)



REFUSE PILE CERTIFICATION

**ANDALEX RESOURCES, INC. - WILDCAT LOADOUT
2010 REFUSE PILE INSPECTION REPORT**

MSHA SITE: 1211-UT-09-01864-01

QUARTER: 4th qtr, 2010

ITEM	REMARKS
(1) Potential Safety Hazards	None noted
(2) Slope Stability	Slopes appear well graded and stable
(3) Removal of Topsoil/Organics	N/A
(4) Construction and Maintenance Performance Standards	Sign in place
(5) Recommendations/Comments	MSHA ID#42-01864

I, or persons under my direction, have performed the above inspection on this refuse pile and do hereby certify it to be a true and accurate representation of the pile at this time.

Daniel W. Helms
(Signature)

12/30/10
(Date)

